

## Legalelectric, Inc.

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June 16, 2009

Stephanie Strength  
Environmental Protection Specialist  
USDA, Rural Utilities Service  
Engineering and Environmental Staff  
1400 Independence Avenue, SW., Stop 1571,  
Washington, DC 20250-1571

also via email: stephanie.strength@usda.gov

RE: RUS EIS Scoping – CapX 2020 – Phase I

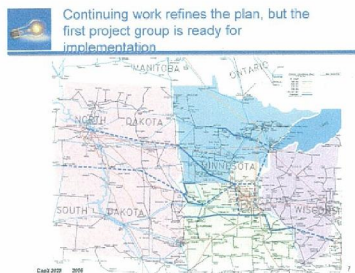
Dear Ms. Strength:

Thank you for the opportunity to comment on the scope of the EIS for CapX 2020.

### **The RUS EIS must address impacts of entire CapX 2020 Phase I -- It's all connected**

CapX 2020 Phase I is the largest transmission project in the history of the State of Minnesota, over 600 miles long and a cost approaching \$2 billion. It is false compartmentalization to claim that only the Hampton-LaCrosse portion of the Capx 2020 Phase I proposal is at issue for the RUS environmental review – the entire project as proposed is subject to review as a phased and connected action, a part of a whole.

B-001-001



### **CapX 2020 was developed as a whole**

CapX 2020 was studied and developed as a whole<sup>1</sup>. This map, Attachment A, is from a CapX 2020 power point presentation to MAPP NM-SPG planning group on June 14, 2006. The blue solid lines are "Phase I," applied for in the Certificate of Need proceeding before the MN PUC, order granting Certificate of Need May 22, 2009. The blue dotted lines are future lines, some of which were announced April 3, 2009. Attachment B is the April 3, 2009, press release regarding those lines.

<sup>1</sup> See CapX 2020 Certificate of Need Application, Appendix A-1, available online at: [CapX2020 Technical Update: Identifying Minnesota's Electric Transmission Infrastructure Needs \(October 2005\)](#)

## B-001-001

Your comment has been noted. While the CapX2020 projects involve four independent projects being developed in a similar time frame with some of the same of utilities participating, the Purpose and Need for the CapX2020 Hampton-Rochester-La Crosse 345-kV Project was developed and proven independently of the other CapX2020 projects. The Alternative Evaluation Study addresses project Purpose and Need. It is available at: <http://www.usda.gov/rus/water/ees/eis.htm>, which has been approved by the RUS. Purpose and Need will also be addressed in the Draft Environmental Impact Statement.

The Draft Environmental Impact Statement will be available on the RUS website at: <http://www.usda.gov/rus/water/ees/eis.htm>. Comments on the Draft Environmental Impact Statement will be solicited after its publication.

**CapX 2020 was presented as a whole**

The CapX 2020 Vision Plan was repeatedly presented by the applicants as a large interconnected web of transmission, not just the Hampton to LaCrosse piece (Hampton, however was not the substation location addressed, it was Prairie Island, until this was changed slightly before the project was applied for in the summer of 2007).

Table 4. Summary of Vision Plan

Facility Name				
From	To	Volt (kV)	Miles	Cost (\$M)
Alexandria, MN	Benton County (St. Cloud, MN)	345	80	60
Alexandria, MN	Maple River (Fargo, ND)	345	126	94.5
Antelope Valley (Bemish, ND)	Jamestown, ND	345	185	138.75
Arrowhead (Duluth, MN)	Chicago County (Chicago City, MN)	345	120	90
Arrowhead (Duluth, MN)	Forbes (Northwest Duluth, MN)	345	60	45
Benton County (St. Cloud, MN)	Chicago County (Chicago City, MN)	345	59	44.25
Benton County (St. Cloud, MN)	Granite Falls, MN	345	110	82.5
Benton County (St. Cloud, MN)	St. Bonifacius, MN	345	62	45.5
Blue Lake (Southwest Twin Cities, MN)	Ellendale, ND	345	200	150
Chicago County (Chicago City, MN)	Prairie Island (Red Wing, MN)	345	82	61.5
Columbia, WI	North LaCrosse, WI	345	80	60
Ellendale, ND	Hettinger, ND	345	231	173.25
Rochester, MN	North LaCrosse, WI	345	60	45
Jamestown, ND	Maple River (Fargo, ND)	345	107	80.25
Prairie Island (Red Wing, MN)	Rochester, MN	345	58	43.5
<b>TOTAL</b>			<b>1620</b>	<b>\$1,215 (\$M)</b>

Exhibit 17, Portion of the 2005 Biennial Report Filed by Transmission Utilities, p. 36; Ex. 1, Application, App. A-1, Technical Update October 2005; see also Exhibit 12, CapX 2020 Update, June 14, 2006; Rogelstad, Vol. 2A, p. 69-74; Rogelstad, Direct Testimony p. 17; Rogelstad, Tr. Vol 2A, p. 39 et seq.

Attachment C is a copy of this chart, an integral part of the record in the CapX 2020 Certificate of Need proceeding before the PUC. The Hampton to LaCrosse line is listed in the CapX 2020 Vision Plan repeatedly as the Prairie Island to Rochester to NorthLaCrosse line above, listed in the 2005 Biennial Report filed by Transmission Utilities (p. 36); the CapX 2020 Certificate of Need Application, App. A-1, Technical Update October 2005, and the CapX powerpoint update, June 14, 2006. Over and over and over, the Hampton-LaCrosse line is presented as just one part of an inextricably linked inseparable network of transmission lines.

#### **CapX 2020 Phase I was applied for as a whole**

The Certificate of Need application was for the Phase I pieces from Fargo to Benton County, from Brookings to Hampton, and Hampton to LaCrosse. Phase I of CapX 2020 from the CapX 2020 website:

##### ***1. Can you tell me more about CapX2020?***

*CapX2020 is a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region to expand the electric transmission grid to ensure continued reliable and affordable service. Planning studies show that customer demand for electricity will increase 4,000 to 6,000 megawatts (MW) by 2020. The new transmission lines will be built in phases designed to meet this increasing demand as well as to support renewable energy expansion.*

- *Bemidji-Grand Rapids, 68 miles, 230-kV*
- *Fargo-St. Cloud-Monticello, 250 miles, 345-kV*
- *Hampton-Rochester-La Crosse, 150 miles, 345-kV*
- *Brookings County-Hampton, 200 miles, 345-kV*

*The CapX2020 utilities - investor-owned, electric cooperatives and municipals - include those that serve the majority of customers in Minnesota and the surrounding region.*

[CapX 2020 website.](http://www.usda.gov/rus/water/ees/eis.htm)

**B-001-002**

The RUS EIS must address impacts for the full CapX 2020 project, including all the lines proposed in Phase I:

- *Bemidji-Grand Rapids, 68 miles, 230-kV*
- *Fargo-St. Cloud-Monticello, 250 miles, 345-kV*
- *Hampton-Rochester-La Crosse, 150 miles, 345-kV*
- *Brookings County-Hampton, 200 miles, 345-kV*

#### **Background**

First, in considering the scope of the RUS EIS, what SHOULD and MUST be included, I offer as background the Minnesota Department of Commerce Scope for their “Environmental Report,” to show both the limited review and highlight what was expressly excluded from consideration of the state’s review of CapX 2020. Attachment D, Scope of ER – Minnesota Department of Commerce<sup>2</sup>. I ask that Attachment D be incorporated by reference into the RUS EIS. 40 CFR 1502.21.

The most important omission by the state was its refusal to acknowledge the anticipated RUS environmental review, stating in the scope:

<sup>2</sup> MN Dept. of Commerce ER Scoping Document, available online: <http://nocapx2020.info/wp-content/uploads/2008/02/environmentalreport-scope.pdf>

#### **B-001-002**

Your comment has been noted.

While the CapX2020 projects involve four independent projects being developed in a similar time frame with some of the same of utilities participating, the Purpose and Need for the CapX2020 Hampton-Rochester-La Crosse 345-kV Project was developed and proven independently of the other CapX2020 projects. The Alternative Evaluation Study addresses project Purpose and Need and is available at: <http://www.usda.gov/rus/water/ees/eis.htm>, which has been approved by the RUS. Purpose and Need will also be addressed in the Draft Environmental Impact Statement.

It is not possible to associate this environmental review with any federal review at this time. Minnesota Rule 4410.3900 anticipates coordinating state and federal review where possible. However, the association is not possible in this case due to timing and relevance. First, completion of this ER is required for the contested case hearing prior to when any application initiating potential federal review would be filed.

B-001-008

We all know very well that the RUS EIS was pending. It is the duty of applicants to work with RES in anticipation of environmental review and to apply NEPA early in the process. 7 CFR 1794.11. The applicant instead did its best to distance the Certificate of Need environmental review from federal review. The state bought into this framing, and specifically disavowed any knowledge of necessary RUS environmental review despite numerous comments regarding RUS review in the scoping process:

Additionally, no application for a permit or funds from the Rural Utility Service is anticipated by any of the applicants. No action requiring a federal EIS is anticipated. If that situation were to change when any route applications are filed, the Department would pursue all opportunities to coordinate the EIS reviews in those proceedings with any relevant federal agency reviews.

Attachment D.

This statement by Commerce in the state scope is contrary to facts known at the time. Many comments were made in the scoping meetings regarding the necessity of federal review of this project, but they were unreasonably dismissed. By refusing to acknowledge the expected RUS environmental review and to cooperate in federal environmental review, the state circumvented thorough environmental review encompassing all issues as required under federal rules.

B-001-003

The scope of state review was also deficient in that it specifically excluded consideration of the impacts of the likelihood that CapX 2020 would facilitate coal generation and emissions:

The ER will not review impacts of specific energy sources in addressing the project, such as carbon outputs from coal-generated facilities or environmental impacts from a wind generation installation. The proposal is a set of transmission lines designed, as stated, to serve local needs and to improve the access of Minnesota renewable energy sources onto the grid. Transmission operates irrespective of the source of energy and is managed on the grid by the Midwest Independent System Operators independent of generation type. Therefore, these transmission lines are not directly associated with any particular source. This project differs from others designed to accommodate or compensate for the connection of a proposed generating facility onto the grid.

This exclusion of impacts by claiming the lines are not associated with any specific generation is not consistent with the record which clearly states that while the transmission owners cannot discriminate in provision of transmission services, a large portion of the capacity may well be coal. The scope of the RUS EIS must include impact of this line if it is used for various capacity ranges of coal.

**The RUS EIS must address various scenarios of enabling coal generation**

The capacity of each of the lines is 4,100 per testimony in the Certificate of Need case, and the wind lobby talks of getting 700MW of wind, meaning that capacity attributable PERHAPS to

**B-001-003**

Your comment has been noted. The RUS does not have jurisdiction over the State of Minnesota Certificate of Need evaluations or content of those proceedings.

The Draft Environmental Impact Statement will be available on the RUS website at

<http://www.usda.gov/rus/water/ees/eis.htm>. Comments on the Draft Environmental Impact Statement will be solicited after its publication.



wind is about 1/6 of capacity and the rest would likely be coal. The RUS EIS should address impacts assuming various percentages of coal:

- o 10% - 410 MW
- o 30% - 1,230 MW
- o 50% - 2,050 MW
- o 75% - 3,033 MW
- o 85% - 3,485 MW

For the megawatt ranges, it is rather simple to calculate coal emissions for old pulverized coal units, supercritical coal units, and IGCC (without capture as carbon capture is not expected anytime soon) and address emissions at the various percentage levels of each.

**B-001-004** | **The RUS EIS must independently verify need claim**

In the state's Environmental Report, the applicant's need claims were accepted and presumed without independent verification. In today's reality of significantly decreased demand, and governmentally mandated and consumer driven conservation efforts, need claims must be substantiated

**B-001-005** | **The RUS EIS must address reasonable system alternatives**

I also draw to your attention to specific parts of the state "Environmental Report," which demonstrates failure to adequately examine system alternatives, and unreasonable limitation of alternatives. Attachment E, F, Minnesota Department of Commerce Environmental Report<sup>3</sup> and maps. Passing off this "Environmental Report" as environmental review is contrary to the Minnesota Environmental Policy Act, the Minnesota Environmental Rights Act, and National Environmental Policy Act. I ask that Attachment E and F be incorporated by reference into the RUS EIS. 40 CFR 1502.21.

**The RUS EIS must address system alternatives, independently and combined**

The RUS EIS must address system alternatives were rejected if they could not, alone, address the presumed need. System alternatives include conservation, efficiency, SmartGrid distribution to level out load peaks, generalized load shifting, local generation (i.e., the planned Rochester West End gas plant, SE Minnesota wind generation), and siting of generation without new transmission, i.e., Minnesota's Distributed Renewable Generation Study.

**B-001-006** | **The RUS EIS must address impacts on river crossings of Minnesota and Mississippi Rivers and National and Minnesota Scenic Byways**

The planned and alternative routes for CapX 2020 would cross the Minnesota River and the Minnesota River Scenic Byway twice, and would cross the Mississippi River and the Mississippi

<sup>3</sup> MN Dept. of Commerce Environmental Report, available online in two parts:  
Attachment E - Environmental Report <http://nocapx2020.info/wp-content/uploads/2008/04/environmental-report2.pdf>  
Attachment F - Environmental Report, Maps: <http://nocapx2020.info/wp-content/uploads/2008/04/environmental-report-maps.pdf>

**B-001-004**

Your comment has been noted. The Draft Environmental Impact Statement will describe, in detail, project purpose and need. The justification document which has been accepted by the RUS is the Alternative Evaluation study which is available at:  
<http://www.usda.gov/rus/water/ees/eis.htm>.

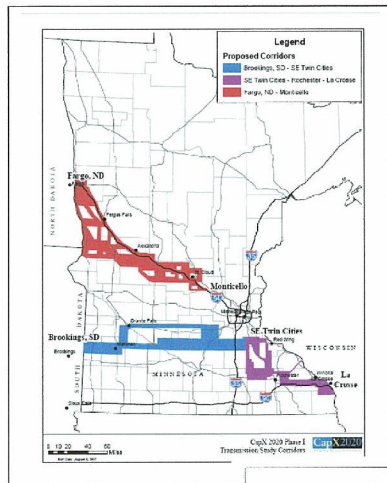
**B-001-005**

Your comment has been noted. Alternatives to the project will be addressed in the Draft Environmental Impact Statement.

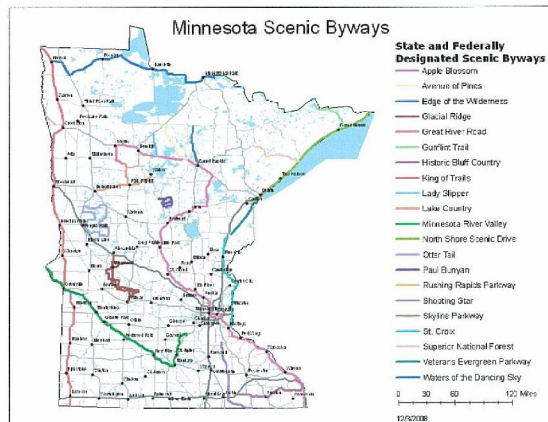
**B-001-006**

Your comment has been noted. Potential impacts to wildlife will be addressed in the Draft Environmental Impact Statement.

River Scenic Byway. Both river valleys contain protected wildlife areas that would be affected by the crossings and the impacts must be analyzed.



The corridors for CapX 2020 cover much of the state, crossing or paralleling the Mississippi River and the Minnesota River. The State of Minnesota has designated twenty-two (22) select roadways as scenic byways, encompassing more than 2,800 miles of statewide scenic routes ranging in length from a short 9-mile scenic byway to the Great River Road covering 575 miles. Six Minnesota byways are also federally designated as National Scenic Byways, but all 22 byways fall under the National Scenic Byways Program, which is part of the U.S. DOT, Federal Highway Administration. A comparison of CapX maps with the Minnesota Scenic Byways map<sup>4</sup>, as above, demonstrates that multiple scenic byways will be impacted by the project. See CapX 2020 Public Hearing Transcript, Tab 19, Rochester, 7:00 p.m. July 2, 2008.



<sup>4</sup> National Scenic Byways Program <http://www.byways.org/>  
 Explore Minnesota Tourism Scenic Byways Page One  
<http://exploreminnesota.com/experiences/byways/index.aspx?gclid=CKfD9ZPaqZcCFQ8QagodL1nKjw>  
 Explore Minnesota Tourism Scenic Byways Page Two  
<http://exploreminnesota.com/experiences/byways/drives.aspx>

**The RUS EIS must address the many acres of wetlands in the footprint of CapX 2020**

**B-001-007**

How many acres of wetlands will be affected by the CapX 2020 project? How would impacts on that many acres be mitigated?

I'll be forwarding more comprehensive Comments throughout the next two weeks. Thank you for the opportunity to submit this Comment.

Very truly yours,



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**Enclosures:**

**Attachment A** – Slide 7, CapX 2020 power point presentation to MAPP NM-SPG planning group on June 14, 2006

**Attachment B** – April 3, 2009, press release, showing extensions from ND and to WI

**Attachment C** – Vision Plan Cart, found in 2005 Biennial Report filed by Transmission Utilities (p. 36); the CapX 2020 Certificate of Need Application, App. A-1, Technical Update October 2005, and the CapX powerpoint update, June 14, 2006.

**Attachment D** – Scope of ER – Minnesota Department of Commerce

**Attachment E** – Environmental Report NOT ATTACHED — available online at

<http://nocapx2020.info/wp-content/uploads/2008/04/environmental-report2.pdf>

**Attachment F** - Environmental Report, Maps NOT ATTACHED — available online at:

<http://nocapx2020.info/wp-content/uploads/2008/04/environmental-report-maps.pdf>

**B-001-007**

Your comment has been noted. Potential impacts to wetlands will be addressed in the Draft Environmental Impact Statement.

**B-001-008**

Your comment has been noted. The RUS does not have jurisdiction over the State of Minnesota Certificate of Need evaluations or content of those proceedings.

**From:** Sandok, Mary R. [<mailto:Mary.R.Sandok@xcelenergy.com>]

**Sent:** Friday, April 03, 2009 9:50 AM

**To:** undisclosed-recipients

**Subject:** News Release: Upper Midwest Utilities Identify Electric Transmission Upgrades To Meet Renewable Energy Standard Milestones

**Contact Information**

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Mary Sandok, Xcel Energy

(o) 612-215-5329

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**News Release**

**April 3, 2009**

**Upper Midwest Utilities Identify Electric Transmission Upgrades**

**To Meet Renewable Energy Standard Milestones**

**Improvements Necessary in Wisconsin to Maintain System Stability**

MINNEAPOLIS — Upper Midwest utilities have identified improvements needed in the region's high-voltage electricity transmission system to ensure they can deliver the renewable energy necessary to meet Minnesota's renewable energy milestones beginning in 2016.

Minnesota's 2007 Next Generation Energy Act requires that utilities increase renewables on their systems in increments and by 2025 deliver 25 percent of their energy from renewable sources (Xcel Energy is required to deliver 30 percent by 2020). It's estimated that 4,000 to 6,000 megawatts of renewable energy will be needed to meet Minnesota's Renewable Energy Standard. North Dakota, South Dakota and Wisconsin have 10 percent by 2015 renewable energy targets.

The utilities identified transmission needs in studies published this week. The studies can be downloaded at [www.minnelectrans.com](http://www.minnelectrans.com).

The studies confirmed that replacing a 60-year-old 230-kilovolt line that runs between Granite Falls and Shakopee with a double-circuit 345-kilovolt line would unlock up to 2,000 megawatts of transmission capacity from wind-rich areas in southern and western Minnesota, North Dakota and South Dakota.

"Upgrading the 230-kilovolt line is the most cost-effective way to meet the 2016 renewable energy standard milestone," said Kent Larson, transmission vice president at Xcel Energy. "The upgrade will optimize capacity from the CapX2020 Group 1 lines, which are moving through the permitting processes, and serve as the next phase of our regional transmission build out to efficiently deliver wind power to our customers."

The 125-mile line would cost an estimated \$350 million, with an additional \$110 million for underlying system improvements.

The studies also found that further upgrades in Minnesota and the Dakotas (beyond the 230-kilovolt line upgrade) will not provide significant benefit prior to installation of a high-voltage transmission line between the La Crosse, Wis., area and the Madison, Wis., area. Without a line to the east of Minnesota, the transmission system will reach a "tipping point" where reliability is compromised, according to the studies. The studies found that the combination of the new 345-kilovolt double circuit line between Granite Falls and Shakopee and a new Wisconsin line would increase the transmission system transfer capability by 1,600 megawatts for a total increase — with the 2,000 megawatts from the new 345-kilovolt line in Minnesota — of approximately 3,600 megawatts.

A joint transmission planning study now under way by several utilities aims to determine the need for a new transmission line between La Crosse and Madison. The study is expected to be completed by 2010.

"The renewable energy requirements of states in the Upper Midwest will be efficiently met with further 345-kilovolt transmission line expansion," said Will Kaul, transmission vice president at Great River Energy. "Policy changes, such as the passage of a national renewable energy standard, may lead to the consideration of a 765-kilovolt overlay. However, the 345-kilovolt projects identified in the studies conducted by the Upper Midwest transmission-owning utilities are still required as a foundational component of a 765-kilovolt overlay."

**Exhibit A: Sandok Press Release, April 3, 2009**



#### Study Details

- The studies were sponsored by Minnesota load-serving utilities, including: Basin Electric Cooperative (also representing East River Electric Power Cooperative and L&O Power Cooperative), Central Minnesota Municipal Power Agency, Dairyland Power Cooperative, Great River Energy, Heartland Consumers Power District, Minnesota Municipal Power Agency, Minnesota Power, Minnkota Power Cooperative, Missouri River Energy Services (also representing Hutchinson Utilities Commission and Marshall Municipal Utilities), Northern States Power Co.-Minnesota, an Xcel Energy company, Otter Tail Power Company, Rochester Public Utilities, Southern Minnesota Municipal Power Agency, and Willmar Municipal Utilities.
- The study teams conferred with the state Office of Energy Security's technical review committee, which includes representatives from the Minnesota Department of Commerce, Office of Energy Security staff, wind advocacy organizations, the Midwest Independent Transmission System Operator and other regional transmission planners.
- Utility transmission planning engineers – representing transmission owners in Iowa, Minnesota, North Dakota, South Dakota, Wisconsin and Manitoba – were consulted to gather information on new generation data and the accuracy of transmission modeling through 2016.
- For the purposes of Minnesota Renewable Energy Standard compliance, the study teams assumed that wind-energy generation would be the primary source of generation developed.

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Also found on Xcel Energy's website:

<http://www.xcelenergy.com/Company/Newsroom/Pages/NewsRelease2009-04-03UpperMidwestUtilitiesIdentifyElectricTransmissionUpgrades.aspx>

**Exhibit A: Sandok Press Release, April 3, 2009**



Continuing work refines the plan, but the first project group is ready for implementation

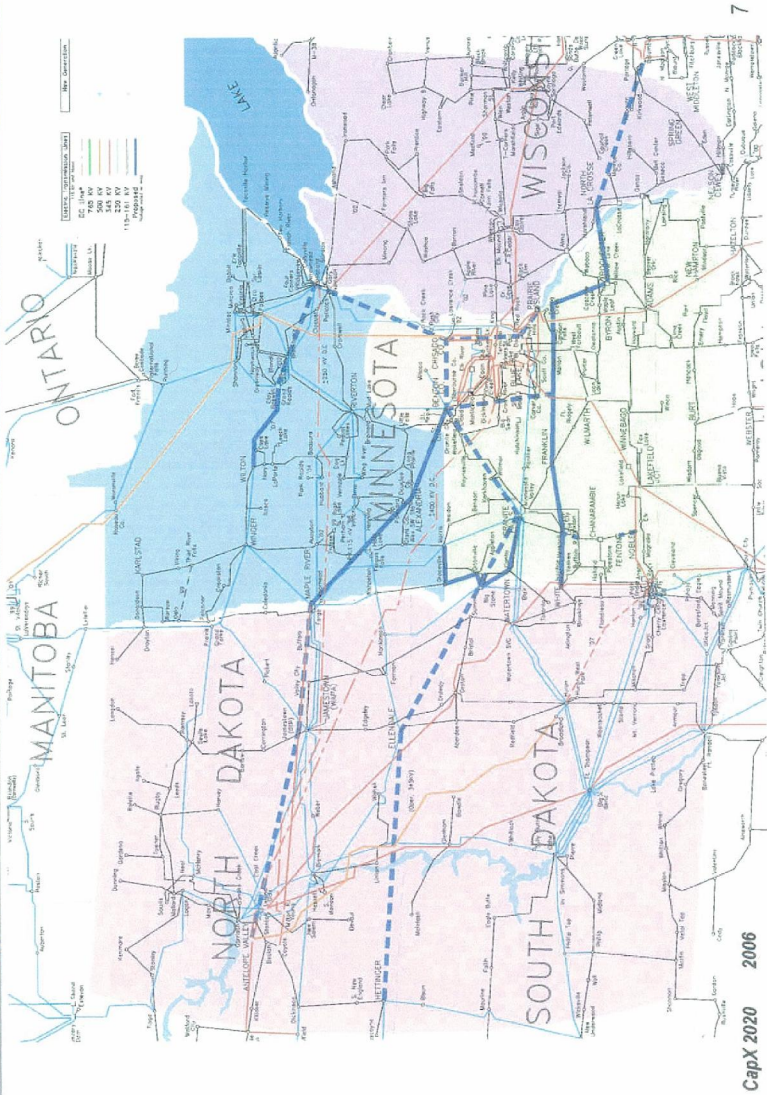


Table 4. Summary of Vision Plan

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<b>TOTAL</b>			<b>1620</b>	<b>\$1,215 (\$M)</b>

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**In the Matter of the Application of Great  
River Energy, Xcel Energy and Others for  
a Certificate of Need for the CapX 2020  
345-kV Transmission Projects**

**ENVIRONMENTAL REPORT  
SCOPING DECISION**

**PUC Docket No. ET02, E002/CN-06-1115**

The above matter has come before the Commissioner of the Department of Commerce (the Department) for a decision on the content of the Environmental Report (ER) to be prepared in consideration of the Xcel Energy, et al., Application for a Certificate of Need for three, 345 kilovolt (kV) high voltage transmission lines (HVTL) in Minnesota. According to Minnesota Rule 7849.7030:

The Commissioner of the Department of Commerce shall prepare an environmental report on a proposed high voltage transmission line or a proposed large electric power generating plant at the need stage. The environmental report must contain information on the human and environmental impacts of the proposed project associated with the size, type, and timing of the project, system configurations, and voltage. The environmental report must also contain information on alternatives to the proposed project and shall address mitigating measures for anticipated adverse impacts. The commissioner shall be responsible for the completeness and accuracy of all information in the environmental report.

An ER provides a high level environmental analysis of the proposal and system alternatives, and reviews environmental impacts associated with named and alternative project corridors. The ER does not take the place of an EIS that would evaluate route alternatives, nor is it comparable in scope. It is only one part of a larger Department investigation of the Certificate of Need Application. The Department in its overall review will address in detail all the issues and alternatives required by rule.

The Minnesota Department of Commerce Energy Facilities Permitting (EFP) Unit held public information meetings on December 10, 11, 13, 17 and 18 in Moorhead, Fergus Falls, Alexandria, Clearwater, Winona, Rochester, Marshall, Olivia, Arlington, and Cannon Falls to inform the public about the project and the regulatory proceedings; discuss environmental, social and economic issues of importance in the area potentially affected; and to gather public input into the scope of the Environmental Report to be prepared for the project. The meetings provided the public an opportunity to ask questions about the project and to suggest alternatives and specific impacts to address in the ER. The public was given until January 14, 2008, to submit written comments. Fifty-four written comments were received.



Having reviewed the matter, and having consulted with staff, I hereby make the following Order on the content of the ER:

#### **MATTERS TO BE ADDRESSED**

The ER will address the following subjects/matters for the proposed project:

##### **PROJECT DESCRIPTION**

The ER will describe the proposed project, right-of-way requirements, location, purpose, and proposed design.

##### **REGULATORY FRAMEWORK**

The ER will describe the regulations and regulatory processes which the project is being reviewed under, including the Certificate of Need, environmental review, and the public participation process.

##### **ALTERNATIVES TO THE PROJECT**

The ER will describe and analyze the feasibility of the following alternatives:

- No-build alternative,
- Conservation alternative,
- Existing line or system improvements,
- Generation alternative, and
- Use of alternative corridors.

##### **ASSESSMENT OF PROJECT IMPACTS AND MITIGATION**

The ER will describe the environmental setting within the project area and analyze the avoidable and unavoidable impacts of and mitigation measures for the proposed project corridors, including data specific to each of the Fargo, LaCrosse and Brookings projects respectively. As appropriate, data may include:

- Impacts on human settlement: socioeconomic, displacement, noise, aesthetics, radio and television interference, archeological and historic resources, human health and safety (including electric and magnetic fields, and safety codes).
- Impacts on land-based economics: recreation, prime farmland, transportation, mining and forestry, and economic development.
- Impacts on natural environment: air quality, water quality (including surface water, groundwater and wetlands), soils and geology, flora and fauna, rare and unique natural resources

##### **PERMITS AND APPROVALS REQUIRED**

The ER will describe the federal, state and local permits anticipated to build the project.

### ISSUES OUTSIDE OF THE ENVIRONMENTAL REPORT

The ER will not consider the impacts or mitigative measures associated with specific routes within the proposed corridors. Site specific concerns (i.e., along specific routes) will be addressed in separate PUC permitting proceedings for each of the three line proposals expected to be filed sometime in late 2008. The ER will only identify the general potential impacts from the construction, operation, and maintenance of the proposed HVTLs along the broad geographic areas proposed, and the measures generally available to mitigate these potential impacts.

The ER will not review impacts of specific energy sources in addressing the project, such as carbon outputs from coal-generated facilities or environmental impacts from a wind generation installation. The proposal is a set of transmission lines designed, as stated, to serve local needs and to improve the access of Minnesota renewable energy sources unto the grid. Transmission operates irrespective of the source of energy and is managed on the grid by the Midwest Independent System Operators independent of generation type. Therefore, these transmission lines are not directly associated with any particular source. This project differs from others designed to accommodate or compensate for the connection of a proposed generating facility onto the grid.

It is not possible to associate this environmental review with any federal review at this time. Minnesota Rule 4410.3900 anticipates coordinating state and federal review where possible. However, the association is not possible in this case due to timing and relevance. First, completion of this ER is required for the contested case hearing prior to when any application initiating potential federal review would be filed.

Additionally, no application for a permit or funds from the Rural Utility Service is anticipated by any of the applicants. No action requiring a federal EIS is anticipated. If that situation were to change when any route applications are filed, the Department would pursue all opportunities to coordinate the EIS reviews in those proceedings with any relevant federal agency reviews.

### SCHEDULE

The ER shall be completed by March 31, 2008, except for those portions which are dependent upon other direct testimony of the Department of Commerce due April 30, 2008.

Signed this 18 day of February, 2008

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

  
Glenn Wilson, Commissioner